

**National Intelligence Council
NIC 2020 Project
Commonwealth Conference: Focus on 2020
8-9 December 2003**

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Introduction

The annual Commonwealth Conference focused this year on the NIC 2020 project. Over a two-day period on 8-9 December, intelligence counterparts from the UK, Canada, Australia, and New Zealand met with participants from the National Intelligence Council to compare ideas, sort out trends, and examine scenarios. Major ideas from the six regional papers and discussions are summarized below. These are not a set of agreed conclusions or predictions but rather an exploration of longer-term trends and possible future scenarios.

Summaries

2020 Europe and Russia: Coping with Population Decline and Bigger Muslim Communities

Europe faces a major challenge in integrating its Muslim populations. Muslim populations of Europe will be much larger because of high birthrates and continued influx of immigrants. The EU must create better employment opportunities for Muslims if they have a chance of integrating them into the mainstream. The worst-case scenario would involve a surge in radicalized, young Muslims living in urban slums. How Muslims throughout the world fare will have important ramifications for the direction which the Muslim community in Europe takes in the next few years. A major terrorist attack attributed to Muslim extremists somewhere in

Europe would have a powerful impact in increasing ethnic tensions inside Europe.

Turkey will be a litmus test for the EU, determining the role that the Europeans are likely to play in the world, including with the US. Turkish accession will mean the EU directly abuts the Middle East. It increases the chances that Europe will pursue its own interests in Mediterranean and Middle Eastern regions.

By 2020 the EU will have "adapted to the need to take decisions at 30," and differences in attitude between "old" and "new" Europe are likely to be less pronounced. The Franco-German motor will have given way to an enlarged central grouping. The EU will not have an army or Euroforce, though the European Security and Defense Identity (ESDI) will have some political/military capabilities. NATO will continue as a security forum, but the EU will be much more assertive about pursuing EU policies in a NATO context and less inclined to follow the United States.

Russia faces a number of intractable challenges. The population is likely to drop from 143 million today to 130 million, the result of a low birth rate, declining life expectancy, and diseases, viz., AIDS and TB are likely to take a big toll on the male Russian population. **The Russian Muslim population, now at 20 percent, will continue to have higher birthrates.** The regime probably will continue to be highly centralized and authoritarian and pervaded by crime and corruption. In such circumstances,

there is risk of a leadership failure. Based on oil, the economy will not collapse but probably will not diversify either. **The armed forces will be smaller but more effective.** Russia's capability to influence events in the former Soviet Union countries is not assured, nor is it clear that Russia will be able to hold on to its Far East and prevent an influx of Chinese immigrants.

2020 South Asia: Growing Focus of Global Concern

The collapse of the current Pakistani regime is conceivable, but what kind of regime would follow is unclear. Pakistan is the **wildcard** for the region because of its endemic poverty, poor educational system, nuclear weapons, and volatile mix of Muslim movements. Rising living standards by 2020 leading to greater stability is plausible for Pakistan and the rest of the region, but descent into political upheaval, inter-communal conflict and war between states, including the use of nuclear weapons, is just as possible.

The weakness of the executive branch characterizes every government of South Asia with the result that governments cannot push through necessary reforms. Economic growth will be incremental and spread unevenly, and there are no signs that these conditions will change over the next 15 years. As a consequence, South Asian countries are unlikely to be competitive for attracting foreign investment.

The subcontinent will rival the Middle East as a focus of global concern on several scores. Pakistani involvement and interest in the proliferation of weapons of mass destruction technology—as a source of export earnings and political power—is unlikely to wane. Terrorism will be a driver of developments in this region, an accelerator of

change. Pakistan could become a victim of terrorism if Musharraf and any moderate successors are unable to maintain control over terrorist groups operating in Kashmir. **More attention needs to be devoted to peripheral countries, in particular, Bangladesh, where terrorists are finding safehaven.**

Hindu chauvinism is likely to be an increasing and an additional destabilizing force in the region. With the third largest Muslim population in the world—125 million—India thinks of itself as a multi-religious stable democracy, **but the danger of religious conflict is real.** This could spill over and aggravate Indo-Pakistani tensions. The nuclear gap is growing, with Pakistan pulling ahead in terms of nuclear-capable systems. Neither understands the other's redlines, and mutual intelligence is poor at best, so escalating dangers are acute. A major terrorist attack in India also could be the catalyst for war.

India aspires to become a world power, including obtaining a seat on the UN Security Council, despite caste problems, an AIDS explosion, and a stagnating bureaucracy; its resources are unlikely to match its aspirations. India is pursuing a rapprochement with China; Pakistan is seeking to build better relations with Middle Eastern countries.

2020 Latin America: Growing Internal Splits

Current trends suggest a "two Americas" scenario, with Mexico, Central America, and the Caribbean linked with the United States and Canada, while Brazil, Argentina, and the Andean countries look toward Europe. Latin America's inherent dynamism will not offset its economic problems and its weak governance. Cuba is likely to be "a better place" in 2020, and possibly Mexico as well, but Haiti and some

Caribbean islands may be worse off. **Brazil, in a favorable scenario, could become a regional power** with a UN Security Council seat, but it faces serious governance and economic problems and has little support in Latin America. National and regional governance and the US role are crucial determinants, but demographics, environmental trends, the impact of globalization, and success of regional integration will affect developments powerfully. (Some participants questioned this "two-bloc scenario," however, citing jealousies over relations with the United States and Brazil's inability to advance itself as a "prince" of the region.)

Any conflict is likely to be intrastate rather than interstate. Democratization probably will continue in fits and starts, but **occasional reversion to military rule cannot be excluded**, especially if economic problems overwhelm governments. The Bolivian example of regime change from the streets, however, may become more typical.

Elites were cited as the biggest obstacle to reform; they have no ideology and lack political instruments beyond rhetoric. The United States needs to find ways to engage with the people in ways Latin American leaders cannot. Some participants worried that Washington would be distracted from Latin America and cautioned that people there need to "take ownership" of their problems to free themselves of a "colonial mentality." Many political leaders are now ready for trade relations with the United States and want global arrangements but do not trust each other.

Environmental issues will loom larger. Many countries suffer from water pollution, deforestation, el Nino, and effects of climate change. Environmental pressures could lead

to political change and could be a "big factor" by 2020.

Drugs and crime will continue as major problems in certain countries. Colombia may see a switch from cocaine to heroin and amphetamines. International narcotics trafficking should be an explicit focus of the 2020 project.

Though relatively self-contained apart from US influence, **Latin America is vulnerable to trade competition and financial movements.** China is investing in the region's natural resources and providing markets for farm products but competes in manufactured goods. India is involved mainly in Brazil. **A Free Trade Area of the Americas (FTAA) may increase Latin America's attractiveness for foreign investment because of the increased economic access to the United States it would afford for third countries.**

2020 East Asia: China on the Path to Regional Dominance as the North-South Rift Grows

A dangerous North-South gap in the region will emerge. Northern states of East Asia will grow in wealth as population increases slowly and governance improves. Large southern states, especially Indonesia and the Philippines, will become "poorer, more populous, and more unstable." **Ineffective governance will hurt countries like Burma and Indonesia.** These and other governments in the south already struggle with soaring populations that outstrip their efforts to provide services. Increased **urbanization** will compound their difficulties, and more fluid communications via Internet and other media will fuel public disaffection. The birth rates of Muslims probably will continue to be higher than other religious or ethnic groups,

upsetting the balance in states like Malaysia, Singapore, Thailand, and the Philippines.

China, increasingly open and influential in the region, faces serious internal problems that it will not be able to ignore or defer. Authoritarian governance almost surely will decline in the face of popular pressures as economic opportunities grow and a middle class develops in strength. By 2020 half the population will be urban, with a high proportion of males. This rising generation—materialistic, manipulative, calculating and, perhaps affected by historical resentments—could produce nationalist, even fascistic tendencies. **Some discussants argued that "implosion" was possible in China,** as the people begin to see the system as unjust and become more politically active. Others rejoined that this danger in fact helps keep the party in power because of widespread worries about instability.

China's growing need for outside energy and other resources and markets will moderate any aggressive instincts. China is set to reap the biggest gains from globalization in East Asia to 2020. China has capitalized on ASEAN's post-economic crisis lack of leadership and direction to build its influence in Southeast Asia. While European Union-style integration will not develop by 2020, a growing regionalism is likely to be channeled into development of institutional frameworks that do not include the United States.

By 2020, the Korean Peninsula and Taiwan Straits issues will come to a head, risking conflict or giving rise to new security dilemmas. Korean reunification would place pressure on the US-Japan alliance, because the US troop presence in Northeast Asia would no longer have as its rationale the need to defend South Korea. The resolution of the Taiwan issue would see China free to reorient its strategic attention elsewhere in the region

and along its borders. The discovery of large hydrocarbon deposits in the South China Sea would add another conflict detonator to the region.

The regime could become more democratic, but multi-party democracy is not likely anytime soon. There was also discussion about whether China, more open, more democratic, and "playing by the rules," might emerge as a relatively "benign" influence in Asia. Some saw signs of this already; others cautioned that this is only what Chinese leaders want the outside world to see.

2020 Middle East: Growing Radicalism?

Governance will be the key driver in shaping Middle Eastern developments. The story of failure and crisis in the Middle East has been largely a story of ineffective governance. Political Islam, which threatens to be more long-lasting than other ideologies such as Nasser's brand of Arab nationalism or various discredited versions of Marxism, will aggravate the problems of governance. The core concept of the new radical brand of political Islam involves returning Islam to its roots and dispensing with "moderate" regimes.

Current political systems are largely patronage-based, centralized, and ineffective in delivering physical and economic security. **The social contract undoubtedly will break down in some countries,** though the identification of tipping points is difficult. For example, **the Saudi social contract is unlikely to endure for the next 16 years. Other "moderates" such as Egypt could be overturned and a new radical regime could emerge.** Stimulated by international counterterrorist pressures, extremists are likely to turn inward, attacking the regimes

that once tolerated them. Iraq—depending on its evolution towards democracy or descent into radicalism or civil war—could act as a positive or negative influence elsewhere in the region.

Other possible shocks or wildcards include war or peace between Israel and the Arabs and a jump or drop in oil prices. A new war might entail use of chemical, biological, radiological, or nuclear weapons, possibly initiated by Syrian employment of chemical weapons. Another crushing Arab military defeat at the hands of Israel would exacerbate the disillusionment of Arabs with their ineffective regimes. The death of Arafat could, however, set in motion events leading to a settlement.

Increased oil revenues could weaken or at least postpone popular pressures for political and economic change in producing states, bolstering stability in the short term but weakening constituencies for needed reform. A drop in oil prices would have the opposite effect.

2020 will find more international actors in the Middle East, particularly countries from the Far East with oil and gas requirements, but the United States will remain the unrivaled power, and the resolution of some of the most thorny and uncertain questions depend on US policy choices. The role of peacemaker and enforcer will not get easier even if the Middle East begins to democratize. As shown by the turn of events in Algeria in the early 1990s, democratization does not translate automatically into moderation and pro-Americanism and could as easily give a boost to radicalism.

2020 Africa: Future Ward of the UN?

Demographics and disease, especially AIDS, coupled with poor governance, will continue to determine Africa's future. **By 2020 its population will be predominantly adolescent—50 percent under 15, including many orphans.** The severe social consequences will include breakdown of the stabilizing family system, dearth of productive workers, increasing urbanization, and, consequently, grave strains on social services. Weak governance will exacerbate these problems.

The vacuum created by the declining presence of the United States, Russia, and former colonial powers is being filled by China and India, eager for markets and resources. **Most conflict will occur within states**, but tensions between the Sahel and the northern rim of Sub-Saharan Africa will persist. **International arms merchants and mercenaries will grow in importance. The communications and financial infrastructure in most of the continent is inadequate for terrorism command centers, but training and staging activities will continue in places like Sudan.** There are many similarities with Latin America, especially Africa's dependence on buoyant commodity prices for its economic well-being. Declining demand has hurt copper prices, and competition in coffee production from Southeast Asia has affected producers in Ghana and Ethiopia.

More **regional droughts may cause conflict over water resources**, but disputes have generally worked themselves out, despite heated rhetoric, especially from Egypt. The UN and World Bank have promoted dialogue

and have been teaching that problems can be alleviated through reforestation and other means. Peace in Sudan could increase water consumption but might also revive the Jonglei Canal project.

Christian missionary work, with increased involvement of US southern fundamentalists, has shifted toward proselytizing more than building schools and hospitals. These Americans have some influence on US policies and have played a **positive role in pressing for a Sudanese peace agreement.** The African Council of Churches also has worked for peace in Mozambique, Sudan, and Kenya. **Islamic fundamentalists are a growing presence,** especially in the transition area between the Sahel and Sub-Saharan Africa, and their competition with the Christians has potential for confrontation. Organized religion will play a more influential role in civil societies and grass roots political structures as the state loses ground as a provider of needed social services.

Criminal networks, operating out of Nigeria, extend to some 70 countries. Heroin and cocaine are their primary trade. **Most of the heroin entering the US comes through such Nigerian-based networks.** Russian criminal networks also are beginning to operate in South Africa.

South Africa, an exception to the overall glum outlook, could become an engine for change economically, and its army has played a positive role in stemming regional conflict. Pretoria's relationship with Abuja has not caused the rivalry some expected, but **regional concerns about South African "hegemony" will limit Pretoria's influence,** and it faces daunting domestic challenges. Otherwise, **the continent is a candidate to become a "ward of the UN"** as the

"institution of last resort" to address the continent's political and humanitarian crises.

Questions for Further Study

The conference participants identified major questions whose resolution would affect the shape of the world in 2020. Among the most significant were these:

Europe:

Can a European Union of 25 or more states work, and how will it affect transatlantic relations?

South Asia:

How might a nuclear exchange occur, and with what consequences?

Latin America:

Brazil a Regional Power?

New External Actors—China, India?

East Asia:

China: Regional Hegemon or Global Partner?

China: Unified or Disintegrated?

China-Taiwan: Implications of Unification

Korea: Implications of Unification

Africa:

South Africa a Regional Power?

"Lord of the Flies" Syndrome?

UN Guardianship?